

The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



**THE RELATIVE EFFECTIVENESS OF FISCAL AND  
MONETARY POLICIES ON ECONOMIC GROWTH  
IN FIVE ASEAN COUNTRIES**



**LIM CHIA YIEN**

**UUM**  
**Universiti Utara Malaysia**

**DOCTOR OF PHILOSOPHY  
UNIVERSITI UTARA MALAYSIA**

**March 2018**

**THE RELATIVE EFFECTIVENESS OF FISCAL AND  
MONETARY POLICIES ON ECONOMIC GROWTH  
IN FIVE ASEAN COUNTRIES**

**By**

**LIM CHIA YIEN**



**UUM**  
**Universiti Utara Malaysia**

**Thesis Submitted to  
School of Economics, Finance and Banking,  
University Utara Malaysia,  
in Fulfilment of the Requirement for the Degree of Doctor of Philosophy**



**Kolej Perniagaan**  
(College of Business)  
**Universiti Utara Malaysia**

**PERAKUAN KERJA TESIS / DISERTASI**  
(Certification of thesis / dissertation)

Kami, yang bertandatangan, memperakukan bahawa  
(We, the undersigned, certify that)

**LIM CHIA YIEN (96112)**

calon untuk Ijazah

**DOCTOR OF PHILOSOPHY (ECONOMICS)**

(candidate for the degree of)

telah mengemukakan tesis / disertasi yang bertajuk:

(has presented his/her thesis / dissertation of the following title):

**THE RELATIVE EFFECTIVENESS OF FISCAL AND MONETARY POLICIES ON ECONOMIC GROWTH IN FIVE  
ASEAN COUNTRIES**

seperti yang tercatat di muka surat tajuk dan kulit tesis / disertasi.

(as it appears on the title page and front cover of the thesis / dissertation).

Bahawa tesis/disertasi tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan, sebagaimana yang ditunjukkan oleh calon dalam ujian lisan yang diadakan pada:

**02 Julai 2017.**

(That the said thesis/dissertation is acceptable in form and content and displays a satisfactory knowledge of the field of study as demonstrated by the candidate through an oral examination held on:

**02 July 2017).**

Pengerusi Viva  
(Chairman for Viva)

: **Assoc. Prof. Dr. Lim Hock Eam**

Tandatangan  
(Signature)

Pemeriksa Luar  
(External Examiner)

: **Assoc. Prof. Dr. Tajul Ariffin Masron**

Tandatangan  
(Signature)

Pemeriksa Dalam  
(Internal Examiner)

: **Dr. Mohamad Helmi Hidhiir**

Tandatangan  
(Signature)

Tarikh: **02 Julai 2017**  
(Date)

Nama Pelajar  
(Name of Student) : Lim Chia Yien

---

Tajuk Tesis / Disertasi  
(Title of the Thesis / Dissertation) : The Relative Effectiveness of Fiscal and Monetary Policies on  
Economic Growth in Five Asean Countries

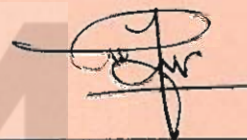
---

Program Pengajian  
(Programme of Study) : Doctor of Philosophy (Economics)

---

Nama Penyelia/Penyelia-penyelia  
(Name of Supervisor/Supervisors) : Assoc. Prof. Dr. Hussin Abdullah

---



Tandatangan

Nama Penyelia/Penyelia-penyelia  
(Name of Supervisor/Supervisors) :

---

Universiti Utara Malaysia

Tandatangan

## **PERMISSION TO USE**

In presenting this thesis in partial fulfilment of the requirements for a Postgraduate degree from Universiti Utara Malaysia (UUM), I agree that the University Library may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisors or, in their absence by the Dean of School of Economics, Finance and Banking where I did my thesis. It is understood that any copying or publication or use of this thesis or parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my thesis.

Request for permission to copy or make other use of materials in this thesis in whole or in part should be addressed to:

Dean of School of Economics, Finance and Banking  
Universiti Utara Malaysia  
06010 UUM Sintok  
Kedah Darul Aman



**UUM**  
Universiti Utara Malaysia

## ABSTRACT

The issues of fiscal policy dependency, vulnerabilities of domestic economy, frail financial uphold, and small fiscal multiplier motivated this study to examine the relationship between fiscal and monetary policies and economic growth in ASEAN-5 for the period of 1970-2015 by using the autoregressive distributed lag (ARDL) and Toda Yamamoto method. Expenditure is significant in ASEAN-5 economies except for Indonesia. Implementation of non-tax in the long run results in expenditure being significant in ASEAN-5 except in Indonesia; tax and non-tax are significant in the Philippines, Thailand, and Singapore; and debt is significant in Indonesia and Thailand. The policy contributes to the Philippines and Thailand to increase the rate of non-tax in support of the growing expenditure. Singapore highly recommends increasing the rate of tax and non-tax to decrease its accrued debt. The interest rate is significant in Indonesia and the Philippines, inflation is significant in Indonesia and Thailand, and the exchange rate is significant in Indonesia and Malaysia. The result provides useful information about the existence of cost channel in Indonesia. Singapore recommends reducing its control in the exchange rate as the exchange market may not be well developed because of lesser integration with international financial markets. The results support the views of the St. Louis Model that asserts monetary policy is relatively more effective than fiscal policy in Indonesia, and vice versa in Malaysia. Monetary dominance exists in the Philippines, and there is cooperation between fiscal and monetary policies in Singapore and Thailand. Interaction policies exist in ASEAN-5 except Indonesia. Causality in the interaction term is found in Indonesia supporting the Post Keynesian theory of endogenous money, and in Thailand it supports the Non-Ricardian theory. Monetary authorities should be transparent in monetary tools and fiscal authorities to ensure growth stability through accountability in contractionary or expansionary policies in aggregate demand using the fiscal instrument.

**Keywords:** fiscal policy, monetary policy, growth, cross-sectional, ASEAN-5



## ABSTRACT

Isu-isu kebergantungan dasar fiskal, kelemahan ekonomi domestik, pendirian kewangan yang lemah, dan pengganda fiskal kecil menyumbang kepada keperluan kajian ini. Kajian ini mengkaji hubungan antara dasar fiskal dan kewangan dengan pertumbuhan ekonomi di ASEAN-5 dalam tempoh 1970 hingga 2015. Kaedah lag edaran autoregresif (ARDL) dan Toda Yamamoto digunakan dalam kajian ini. Perbelanjaan signifikan berlaku dalam ekonomi ASEAN-5 kecuali di Indonesia. Pelaksanaan cukai bukan hasil dalam jangka panjang dalam perbelanjaan adalah signifikan di ASEAN-5 kecuali di Indonesia. Sementara itu, cukai dan cukai bukan hasil adalah signifikan di Filipina, Thailand, dan Singapura, manakala hutang pula adalah signifikan di Indonesia serta Thailand. Dasar ini memberi sumbangan terhadap Filipina dan Thailand untuk meningkatkan kadar cukai bukan hasil dalam menyokong perbelanjaan yang semakin meningkat. Singapura direkomendasikan meningkatkan kadar cukai dan bukan cukai untuk mengurangkan hutang terakru. Sementara itu, kadar faedah adalah signifikan di Indonesia dan Filipina. Selain itu inflasi adalah signifikan di Indonesia, dan kadar pertukaran signifikan di Indonesia dan Malaysia. Oleh itu, hasilnya memberikan informasi yang berguna dimana keberadaan saluran kos di Indonesia. Singapura diperakukan untuk mengurangkan kawalan dalam kadar pertukaran kerana pasaran pertukaran mungkin tidak berkembang dengan baik. Ini disebabkan oleh integrasi yang lebih rendah dengan pasaran kewangan antarabangsa. Hasil ini menyokong pandangan Model St Louis yang menegaskan dasar kewangan yang relatif lebih efektif daripada dasar fiskal di Indonesia, dan sebaliknya di Malaysia. Dominasi kewangan berlaku di Filipina, dan kerjasama antara dasar fiskal dan kewangan berlaku di Singapura dan Thailand. Dasar interaksi wujud di ASEAN-5 kecuali di Indonesia. Penyebab dalam istilah interaksi ditemui di Indonesia yang menyokong teori wang endogen Post Keynesian, dan Thailand menyokong teori Non-Ricardian. Oleh itu, pihak berkuasa kewangan harus telus dalam alat kewangan dan pihak berkuasa fiskal untuk memastikan kestabilan pertumbuhan melalui akauntabiliti dalam penguncupan atau dasar pengembangan dalam permintaan agregat menggunakan instrumen fiskal.

**Kata Kunci:** dasar fiskal, dasar kewangan, pertumbuhan, keratan rentas, ASEAN-5

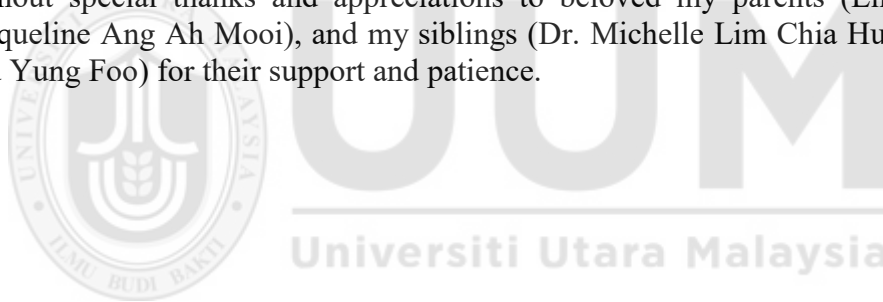


## ACKNOWLEDGEMENT

First, I would like to express my gratitude and appreciation to my supervisor, Assoc. Prof. Dr. Hussin Bin Abdullah and Assoc. Prof. Dr. Muhammad Azam, who guided me throughout my study. I especially thank them for the time devoted to reading the earlier version of this study, they encouraged and taught me in many scholarly ways of research. I sincerely benefit from their constructive suggestions and comments.

I also wish to thank my thesis examination committee; the chairperson, Prof. Madya Dr Lim Hock Eam; the external examiner, Assoc. Prof. Dr. Tajul Ariffin Masron and the internal examiner, Prof. Dr. Fatimah Wati Ibrahim, Dr. Mohamad Helmi bin Hidhiir for their vital and invaluable suggestions. I also wish to use this opportunity to thank the staff of Department of Economics and Agribusiness at Universiti Utara Malaysia (UUM) and Sultanah Bahiyah Library staff for their provision and assistance.

I thankfully acknowledge the postgraduate scholarship given to me by UUM throughout my studies. Finally, I thank my family members, friends, and colleagues for their support and well wishes. This acknowledgement would be incomplete without special thanks and appreciations to beloved my parents (Lim See Tian, Jacqueline Ang Ah Mooi), and my siblings (Dr. Michelle Lim Chia Hua, Chia Chie and Yung Foo) for their support and patience.



## TABLE OF CONTENTS

	<b>Pages</b>
<b>TITLE PAGE</b>	i
<b>CERTIFICATE OF THESIS WORK</b> .....	iii
<b>PERMISSION TO USE</b> .....	iv
<b>ABSTRACT</b> .....	v
<b>ABSTRACT</b> .....	vi
<b>ACKNOWLEDGEMENT</b> .....	vii
<b>TABLE OF CONTENTS</b> .....	viii
<b>LIST OF TABLES</b> .....	xii
<b>LIST OF FIGURES</b> .....	xiii
<b>LIST OF ABBREVIATIONS</b> .....	xiv
 <b>CHAPTER ONE INTRODUCTION</b> .....	 1
1.1 Introduction.....	1
1.2 Background of the Study .....	1
1.2.1 Issues of Fiscal Policy .....	3
1.2.2 Issues of Monetary Policy .....	6
1.2.3 Relative Effectiveness of Fiscal and Monetary Policies .....	9
1.2.3.1 Indonesia.....	10
1.2.3.2 Malaysia.....	11
1.2.3.3 The Philippines .....	13
1.2.3.4 Singapore .....	15
1.2.3.5 Thailand .....	16
1.2.4 Interaction of Fiscal and Monetary Policies .....	17
1.3 Problem Statement .....	18
1.4 Research Questions.....	23
1.5 The General and Specific Objectives of the Study .....	24
1.6 Significance of the Study .....	24
1.7 Scope of the Study .....	27
1.8 Organization of the Thesis .....	28
 <b>CHAPTER TWO LITERATURE REVIEW</b> .....	 29
2.1 Introduction.....	29
2.2 Concept and Theoretical Framework.....	29
2.2.1 Economic Growth.....	29
2.2.2 Fiscal Policy .....	31

2.2.3	Monetary Policy .....	32
2.2.4	Relative Effectiveness of Fiscal and Monetary Policies .....	33
2.2.5	Interaction of Fiscal and Monetary Policies.....	36
2.3.	Empirical Work on Fiscal Policy and Economic Growth.....	38
2.3.1	Neoclassical Theory and the Plea for Non-Intervention.....	39
2.3.2	Keynesian Theory and State Intervention .....	41
2.3.3	Endogenous Growth Theory and Non-Distortionary Taxes .....	42
2.4	Empirical Work of Monetary Policy and Economic Growth.....	45
2.4.1	Neo-Classical -Monetary Policy .....	46
2.4.2	Keynesians-Monetary Policy .....	46
2.4.3	Monetarist-Monetary Policy .....	47
2.5.	Empirical Work of Relative Effectiveness of Fiscal and Monetary Policies....	48
2.6	Empirical Work of Interaction of Monetary Policy .....	53
2.7	Empirical Work of Labour and Capital.....	59
2.8	Research Gap .....	63
2.9	Chapter Summary.....	66
<b>CHAPTER THREE METHODOLOGY .....</b>		<b>67</b>
3.1	Introduction.....	67
3.2	Theoretical Framework .....	67
3.3	Model Specification .....	68
3.3.1	Fiscal Model of Economic Growth Determination .....	68
3.3.2	Fiscal Model (Inclusion of Non-Tax) of Economic Growth .....	69
3.3.3	Monetary Model of Economic Growth Determination .....	69
3.3.4	Relative Effectiveness of Fiscal and Monetary Policies .....	70
3.3.5	The Interactions of Monetary Policy and Fiscal Policy .....	70
3.4	Operational Justification of Variables.....	71
3.4.1	Real Gross Domestic Product per capita (GDPC).....	72
3.4.2	Government expenditure (TE).....	72
3.4.3	Tax (T).....	73
3.4.4	Non-Tax (NT).....	73
3.4.5	Total Debt (TD).....	74
3.4.6	Money supply (MS).....	75
3.4.7	Interest rates (IR) .....	76
3.4.8	Exchange rate (ER) .....	77
3.4.9	Inflation (CPI) .....	78
3.4.10	Human capital (HC) .....	79

3.4.11	Foreign Direct Investment (FDI).....	80
3.5	Estimation Procedures.....	81
3.5.1	Stationarity Analysis .....	81
3.5.1.1	Unit Root Test without Structural Breaks .....	82
3.5.1.2	Augmented Dickey-Fuller Unit Root Test.....	82
3.5.1.3	Unit Root Test with Structural Break .....	84
3.5.1.4	LS Unit Root Minimum LM test with Two Structural Breaks.....	85
3.5.2	Autoregressive Distributed Lag.....	87
3.5.2.1	Autocorrelation .....	92
3.5.2.2	Heteroscedasticity.....	93
3.5.2.3	Misspecification.....	94
3.5.2.4	Normality .....	94
3.5.3	Toda-Yamamoto Causality.....	95
3.6	Sources of Data .....	99
3.7	Chapter Summary.....	100
<b>CHAPTER FOUR</b>	<b>RESULTS AND DISCUSSION .....</b>	<b>101</b>
4.1	Introduction.....	101
4.2	Descriptive Analysis .....	101
4.2.1	Correlation and Multicollinearity Analysis .....	104
4.3	Unit Root Test.....	108
4.3.1	Augmented Dickey-Fuller unit root test.....	109
4.3.2	Lee and Strazicich unit root test (Structural Break) .....	112
4.4	Autoregressive Distributed Lag (ARDL) Estimates .....	125
4.4.1	Bounds Test Results, Growth.....	126
4.4.2	Estimation of Long-Run Relationship, Growth .....	131
4.4.3	Estimation of Short Run Relationship, Growth.....	144
4.4.4	Diagnostic Test.....	165
4.4.5	Stability of Parameters .....	167
4.5	Estimation of Toda-Yamamoto Causality.....	178
4.6	Summary of the Chapter .....	192
<b>CHAPTER FIVE</b>	<b>CONCLUSION AND POLICY IMPLICATION .....</b>	<b>194</b>
5.1	Introduction.....	194
5.2	Conclusion .....	194
5.3	Policy Implication .....	204
5.4	Suggestions for Future Research.....	210

5.5	Limitations of the Study.....	211
<b>REFERENCES.....</b>		<b>213</b>



## LIST OF TABLES

Table		Pages
Table 1.1	Fiscal Policy (ASEAN-5)	3
Table 1.2	Monetary Policy (ASEAN-5)	6
Table 1.3	Relative Effectiveness of Fiscal and Monetary Policies (ASEAN-5)	10
Table 4. 1	Descriptive Statistic (ASEAN-5)	102
Table 4.2 i	Indonesia Summary of Correlation Analysis: 1970-2015	105
Table 4.2 ii	Malaysia Summary of Correlation Analysis: 1970-2015	105
Table 4.2 iii	Philippines Summary of Correlation Analysis: 1970-2015	106
Table 4.2 iv	Singapore Summary of Correlation Analysis: 1970-2015	106
Table 4.2 v	Thailand Summary of Correlation Analysis: 1970-2015	107
Table 4.3	Augmented Dickey Fuller Unit Root Test (ASEAN-5)	110
Table 4.4 i	Indonesia LS Two-Break Minimum LM Unit Root Test	113
Table 4.4 ii	Indonesia LS Two-Break Minimum LM Unit Root Test	114
Table 4.4 iii	Malaysia LS Two-Break Minimum LM Unit Root Test	115
Table 4.4 i	Malaysia LS Two-Break Minimum LM Unit Root Test	116
Table 4.4 v	Philippines LS Two-Break Minimum LM Unit Root Test	117
Table 4.4 vi	Philippines LS Two-Break Minimum LM Unit Root Test	118
Table 4.4 vii	Singapore LS Two-Break Minimum LM Unit Root Test	119
Table 4.4 vii	Singapore LS Two-Break Minimum LM Unit Root Test	120
Table 4.4 ix	Thailand LS Two-Break Minimum LM Unit Root Test	121
Table 4.4 x	Thailand LS Two-Break Minimum LM Unit Root Test	122
Table 4.5 i	Fiscal Policy ARDL Bounds	128
Table 4.5 ii	Monetary and Relative Effectiveness ARDL Bounds	129
Table 4.5 iii	Interaction of Monetary Policy with Fiscal ARDL Bounds	130
Table 4.6	Long Run Elasticity (ASEAN-5)	132
Table 4.7	Short Run Elasticity (ASEAN-5)	145
Table 4.8	ARDL Diagnostic Test (ASEAN-5)	166
Table 4.9 i	Fiscal Policy Toda-Yamamoto Causality	179
Table 4.9 ii	Monetary Policy and Relative Effectiveness Toda-Yamamoto Causality	183
Table 4.9 iii	Interaction of Monetary Policy with Fiscal Toda-Yamamoto Causality	186

## LIST OF FIGURES

Figure		Pages
Figure 4.1	Plots of CUSUM and CUSUMQ statistics for coefficient stability tests	168





## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Full Meaning</b>
ADF	Augmented Dickey Fuller
AFC	Asian Financial Crisis
ASEAN-5	Indonesia, Malaysia, Philippines, Singapore, Thailand
BI	Bank of Indonesia
BOT	Bank of Thailand
BSP	Bangko Sentral ng Pilipinas
CPI	Consumer Price Index
GDPC	Gross Domestic Product Per Capita
GFC	Global Financial Crisis
LM	Lagrange Multiplier
LS	Lee and Strazicich
MAS	Monetary Authority of Singapore
USD	United States Dollar



**UUM**  
Universiti Utara Malaysia

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter presents the general introduction of the thesis. The background and issues of ASEAN-5 countries are highlights in the following section. Section 1.3 discusses the problem statement, Section 1.4 contains the research questions, and Section 1.5 presented the objectives of the study. The significance of the study is given in Section 1.6, while Section 1.7 and Section 1.8 offer the scope of the study and the organization of the thesis.

#### **1.2 Background of the Study**

Economic growth is known for its cruciality not only for a country but also individual wellbeing. Bringing up economic growth in a country requires appropriate policy prescription in macroeconomic policies. In achieving higher growth per capita, both convergent and divergent of fiscal and monetary policies stances are crucial. The robustness of fiscal and monetary policies are essential tools that could save a country from economic circumstances and political influences. The influences of these two devices depicted on three worldwide phenomena which are during the Great Depression, Asian Financial Crisis (AFC), and Global Financial Crisis (GFC).

During the Great Depression in 1930, the nationwide accentuate on Keynesian theory in restoring the economy. Though the fiscal policy has been used successfully during the Great Depression, Keynesian theory was into doubtfulness situation in the 1980s and turn out to be true when AFC hit the economy in 1997 (Ketema, 2006). Both

The contents of  
the thesis is for  
internal user  
only

## REFERENCES

- Abdoh, W. M. Y. M., Yusuf, N. H. M., Zulkifli, S. A. M. Z., Bulot, N., & Ibrahim, N. J. (2016). Macroeconomic factors that influence exchange rate fluctuation in ASEAN Countries. *International Academic Research Journal of Social Science*, 2(1), 89-94.
- Abdul Aziz, M., Habibullah, M. S., Ngah, W., Saini, W. A., & Mohamed, A. (2000). Testing for causality between taxation and government spending: An application of Toda-Yamamoto approach. *Pertanika Journal of Social Sciences & Humanities*, 8(1), 45-50.
- Abdullah, H., Habibullah, M. S., & Baharumshah, A. Z. (2009). The effect of fiscal variables on economic growth in Asian economies: a dynamic panel data analysis. *International Journal of Business and Management*, 4(1), 56-69.
- Abdul Karim, Z. (2011). Essays on monetary policy: macro and firm-level evidence from Malaysia, a small open economy (Doctoral dissertation, University of Southampton).
- Abitona, L. P. (2014). The present status of Philippine public borrowings. 1-19. Dumaguete, Negros Oriental, Philippines: Silliman University. Retrieved from [https://www.academia.edu/8732225/The\\_Present\\_Status\\_of\\_the\\_Philippine\\_Public\\_Borrowings](https://www.academia.edu/8732225/The_Present_Status_of_the_Philippine_Public_Borrowings)
- AbuDalu, A., Ahmed, E. M., Almasaied, S. W., & Elgazoli, A. I. (2014). The real effective exchange rate impact on ASEAN-5 economic growth. *International Journal of Economics & Management Sciences*, 4(2), 1-7.
- Adebola, S. S., & Dahalan, J. (2012). Capital mobility: An application of saving-investment link for Tunisia. *International Journal of Economics and Financial Issues*, 2(1), 1-11.

- Adefeso, H. A., & Mobolaji, H. I. (2010). The fiscal-monetary policy and economic growth in Nigeria: Further empirical evidence. *Pakistan Journal of Social Sciences*, 7(2), 137-142.
- Adeniji, S., & Evans, O. (2013). *Searching for the relative potency of monetary and fiscal policies in selected African Countries: A panel data approach to St. Louis Equation*. Munich Personal REPEC Archive paper 52420. <http://mpra.ub.uni-muenchen.de/52420/>
- Ahmed, E. M. (2012). Are the FDI inflow spillover effects on Malaysia's economic growth input driven?. *Economic Modelling*, 29(4), 1498-1504.
- Ahmed, E., & Johannes, J. M. (1984). St. Louis Equation restrictions and criticisms revisited: Note. *Journal of Money, Credit and Banking*, 16(4), 514–520.
- Aigheyisi, O. S. (2011, September). Examining the relative effectiveness of monetary and fiscal policies in Nigeria: A cointegration and error correction approach. 1-20. Department Of Economics And Statistics, University Of Benin, Benin City.
- Aizenman, J., Kletzer, K., & Pinto, B. (2007). *Economic growth with constraints on tax revenues and public debt: implications for fiscal policy and cross-country differences* (No. w12750). National Bureau of Economic Research.
- Ajisafe, R. A., & Folorunso, B. A. (2002). The relative effectiveness of fiscal and monetary policy in macroeconomic management in Nigeria. *The African Economic and Business Review*, 3(1), 23–40.
- Akram, N. (2015). Is public debt hindering economic growth of the Philippines? *International Journal of Social Economics*, 42(3), 202-221.

- Alavi, S. E., Moshiri, S., & Sattarifar, M. (2016). An analysis of the efficiency of the monetary and fiscal policies in Iran economy using IS–MP–AS model. *Procedia Economics and Finance*, 36 (2016), 522-531.
- Alcidi, C., & Thirion, G. (2016). *The interaction between fiscal and monetary policy – before and after the financial crisis*. 1-22. Horizon 2020 Framework Programme of the European Union.
- Alesina, A., & Tabellini, G. (1987). Rules and discretion with noncoordinated monetary and fiscal policies. *Economic Inquiry*, 25(4), 619–630.
- Alfaro, L., Chanda, A., Kalemli-Ozcan, S., & Sayek, S. (2004). FDI and economic growth: the role of local financial markets. *Journal of international economics*, 64(1), 89-112.
- Alguacil, M., Cuadros, A., & Orts, V. (2011). Inward FDI and growth: The role of macroeconomic and institutional environment. *Journal of Policy Modeling*, 33(3), 481-496.
- Ali, S., & Ahmad, N. (2010). The effects of fiscal policy on economic growth: empirical evidences based on time series data from Pakistan. *The Pakistan Development Review*, 49(4), 497–512.
- Ali, S., Irum, S., & Ali, A. (2008). Whether fiscal stance or monetary policy is effective for economic growth in case of South Asian Countries? *The Pakistan Development Review*, 47(4), 791–799.
- Al-Hamidy, A. (2012). Aspects of fiscal/debt management and monetary policy interaction: the recent experience of Saudi Arabia. 2012(67), 301-306. BIS papers . Retrieved from <http://www.bis.org/publ/bppdf/bispap67v.pdf>.

- Al-Zoubi, O., Saqfalhait, N., & Al-Majali, A. (2013). Interaction between monetary and fiscal policy in Jordan. *Journal of Economics and Economic Education Research*, 14(1), 19-40.
- Andersen, L. C., & Carlson, K. M. (1970, April). A monetarist model for economic stabilization. pp.7-25. Federal Reserve Bank of St. Louis Review. Retrieved from <https://files.stlouisfed.org/files/htdocs/publications/review/70/04/>
- Andersen, L. C., & Jordan, J. L. (1968, November). Monetary and fiscal actions: a test of their relative importance in economic stabilization. pp.11-24. Federal Reserve Bank of St. Louis Review. Retrieved from <https://files.stlouisfed.org/files/htdocs/publications/review/68/11/>
- Andersen, T. M., & Schneider, F. (1986). Coordination of fiscal and monetary policy under different institutional arrangements. *European Journal of Political Economy*, 2(2), 169–191.
- Ando, A., & Modigliani, F. (1965). The relative stability of monetary velocity and the investment multiplier. *The American Economic Review*, 55(4), 693–728.
- Anwar, S., & Sun, S. (2011). Financial development, foreign investment and economic growth in Malaysia. *Journal of Asian Economics*, 22(4), 335-342.
- Apere, T. O., & Karimo, T. M. (2014). Monetary policy effectiveness, output growth and inflation in Nigeria. *International Journal of Economics, Finance and Management*, 3(6), 301-307.
- Arabi, K. A. M., & Abdalla, S. Z. S. (2013). The impact of human capital on economic growth: Empirical evidence from Sudan. *Research in World Economy*, 4(2), 43–53.



- Assadi, M. (2015, October). Monetary and fiscal policy interactions: National and international empirical evidence. 1-265. University of Glasgow. Retrieved from <http://theses.gla.ac.uk/6796/>
- Atchariyachanvanich, W. (2007). International differences in the relative monetary-fiscal influence on economic stabilization. *Journal of International Economic Studies*, 21(21), 69–84.
- Athukorala, P. C. (2010, October). Malaysian economy in three crises. 1-26. The Australian National University. Available at <https://crawford.anu.edu.au/acde/publications/publish/papers/wp2010/>
- Baharumshah, A. Z., Slesman, L., & Wohar, M. E. (2016). Inflation, inflation uncertainty, and economic growth in emerging and developing countries: Panel data evidence. *Economic Systems*, 40(4), 638-657.
- Baharumshah, A. Z., Soon, S. V., & Lau, E. (2017). Fiscal sustainability in an emerging market economy: When does public debt turn bad? *Journal of Policy Modeling*, 39(1), 99-113.
- Baharumshah, A. Z., & Thanoon, M. A. M. (2006). Foreign capital flows and economic growth in East Asian countries. *China Economic Review*, 17(1), 70–83.
- Bahmani-Oskooee, M. (2001). How stable is M2 money demand function in Japan? *Japan and the World Economy*, 13(4), 455–461.
- Bakar, A., & Hassan, S. (2011). Empirical evaluation on external debt of Malaysia. *International Business & Economics Research Journal*, 7(2), 95–108.
- Banerjee, A., Lumsdaine, R. L., & Stock, J. H. (1992). Recursive and sequential tests of the unit-root and trend-break hypotheses: Theory and international evidence. *Journal of Business & Economic Statistics*, 10(3), 271-287.

- Banerjee, R., & Roy, S. S. (2014). Human capital, technological progress and trade: What explains India's long run growth?. *Journal of Asian Economics*, 30(2014), 15–31.
- Barik, A. (2014). *Government debt and economic growth in India*. Jawaharlal Nehru University.
- Barro, R. J. (1974). Are government bonds net wealth? *Journal of Political Economy*, 82(6), 1095–1117.
- Barro, R. J. (1979). On the determination of the public debt. *Journal of Political Economy*, 87(5), 940–971
- Barro, R. J. (1990). Government spending in a simple model of endogenous growth. *The Journal of Political Economy*, 98(5), 103–125.
- Barro, R. J. (1991). Economic growth in a cross section of countries. *The Quarterly Journal of Economics*, 106(2), 407–443.
- Barro, R. J. (1995). Inflation and economic growth. NBER Working Paper No. 5326. Available at NBER: <http://www.nber.org/papers/w5326.pdf>
- Barro, R. J., & Sala-I-Martin. (1992). Public finance in models of economics growth. *The Review of Economic Studies*, 59(4), 645–661.
- Barro, R. J., & Sala-I-Martin, X. (2004). *Economic Growth (2nd ed.)*. New York: McGraw-Hill. ISBN 0-262-02553-1.
- Barth III, M. J., & Ramey, V. A. (2002). *The cost channel of monetary transmission*. NBER macroeconomics annual 2001, 16, MIT Press, 199-240.
- Baum, A., Checherita-Westphal, C. and Rother, P. (2013) Debt and growth: New evidence for the euro area. *Journal of International Money and Finance*, 32 (February), 809-821.
- Beetsma, R., & Bovenberg, A. L. (1995). *The role of public debt in the game of double*

*chicken*. METEOR, Maastricht Research School of Economics of Technology and Organization. (No. 025).

Beetsma, R. M., & Bovenberg, A. L. (1999). Does monetary unification lead to excessive debt accumulation?. *Journal of Public Economics*, 74(3), 299–325.

Bende-Nabende, A., Ford, J. L., Slater, J., & Sen, S. (2002). Foreign direct investment in East Asia: Trends and determinants. *The Asia Pacific Journal of Economics & Business*, 6(1), 4-128.

Benigno, P., & Woodford, M. (2006). *Optimal inflation targeting under alternative fiscal regimes* (No. w12158). National Bureau of Economic Research.

Benos, N. (2009). *Fiscal policy and economic growth: empirical evidence from EU countries*. MPRA Paper No. 19174, 1-29.

Bernanke, B. S., & Blinder, A. S. (1988). Credit, money, and aggregate demand. *American Economic Review*, 78(2), 435–439.

Bernanke, B. S., & Gertler, M. (1989). Agency costs, net worth, and business fluctuations. *The American Economic Review*, 79(1), 14–31.

Bhatia, R. J. (1960). Inflation, deflation, and economic development. *Staff Papers-International Monetary Fund*, 8(1), 101-114.

Blanchard, O. J. (1985). Debt, deficits, and finite horizons. *Journal of political economy*, 93(2), 223-247.

Blanchard, O., Dell’Ariccia, G., & Mauro, P. (2010). Rethinking macroeconomic policy. *Journal of Money, Credit and Banking*, 42(s1), 199-215.

Blinder, A. S. (1980). Issues in the coordination of monetary and fiscal policy. NBER Working Paper No. 982. Available at NBER Research: <http://www.nber.org/papers/w0982.pdf>

- Blomstrom, M., & Kokko, A. (1998). Multinational corporations and spillovers. *Journal of Economic Surveys*, 12(2), 1–31.
- Borensztein, E., De Gregorio, J., & Lee, J. W. (1998). How does foreign direct investment affect economic growth?. *Journal of International Economics*, 45(1), 115–135.
- Brunner, K., & Meltzer, A. H. (1968). What did we learn from the monetary experience of the United States in the great depression?. *The Canadian Journal of Economics*, 1(2), 334–348.
- Bruno, M., & Easterly, W. (1998). Inflation crises and long-run growth. *Journal of Monetary Economics*, 41(1), 3–26.
- Bruno, M., & Fischer, S. (1990). Seigniorage, operating rules, and the high inflation trap. *The Quarterly Journal of Economics*, 105(2), 353–374.
- Bryant, R., Hooper, P., & Mann, C. L. (Eds.). (2010). *Evaluating policy regimes: new research in empirical macroeconomics*. Brookings Institution Press.
- Budina, N., & Tuladhar, A. (2010, November). Post-crisis fiscal policy priorities for the ASEAN-5. IMF Working Paper No. 252. Available at <http://www19.iadb.org/intal/intalcdi/PE/2010/07547.pdf>
- Burgess, R., & Stern, N. (1993). Taxation and development. *Journal of Economic Literature*, 31(2), 762–830.
- Busse, M., & Hefeker, C. (2007). Political risk, institutions and foreign direct investment. *European Journal of Political Economy*, 23(2), 397–415.
- Caner, M., & Hansen, B. E. (2004). Instrumental variable estimation of a threshold model. *Econometric Theory*, 20(05), 813–843.
- Canzoneri, M., Cumby, R., & Diba, B. (2011). The interaction between monetary and fiscal policy. *Handbook of monetary economics*, 3, 935–99.

- Cecchetti, S. G., Mohanty, M. S., & Zampolli, F. (2011, September). The real effects of debt. BIS Working Paper No. 352. Available at: <http://www.bis.org/publ/othp16.pdf>
- Chander, R., & Welsh, B. (2015, October 19). Solving Malaysia's economic crisis. (D. N. Farrelly, Ed.) New Mandala. Retrieved December 15, 2015, from <http://www.newmandala.org/solving-malaysias-economic-crisis/>
- Chang, T., Liu, W. R., & Caudill, S. B. (2002). Tax-and-spend, spend-and-tax, or fiscal synchronization: New evidence for ten countries. *Applied Economics*, 34(12), 1553-1561.
- Checherita-Westphal, C. and Rother, P. (2012) The impact of high government debt on economic growth and its channels: An empirical investigation for the euro area. *European Economic Review*, 56(7), 1392-1405.
- Cheng, C. S., Razak, N. A. A., & Abdullah, H. (2013). Human capital and technological catch-up in the Asian developing countries. *World Applied Sciences Journal*, 28(Economic, Finance and Management Outlooks), 72-75.
- Cheong, L. M. (2004) *Globalisation and the operation of monetary policy in Malaysia*. BIS Papers No. 23, 209-215.
- Chingarande, A. A. (2012). The relative effectiveness of monetary and fiscal policies on economic activity in zimbabwe (1981:4-1998:3) an error correction approach. *International Journal of Management Sciences and Business Research*, 1(5), 2226-8235.
- Choong, C. K., Lau, E., Liew, V. K. S., & Pua, C. H. (2010). Does debts foster economic growth? The experience of Malaysia. *African Journal of Business Management*, 4(8), 1564-1575.
- Choong, C., Liew, V., Chan, S., & Ch'ng, H. (2011). Foreign direct investment

- volatility and economic growth in Asean-Five countries. *International Journal of Academic Research*, 3(4), 221–224.
- Chowdhury, L. S., & Afzal, M. N. I. (2015). The effectiveness of monetary policy and fiscal policy in Bangladesh. *The Journal of Applied Business and Economics*, 17(1), 78–85.
- Chowdhury, A., & Mavrotas, G. (2005). *FDI and growth: A Causal Relationship* (No. 2005/25). Research Paper, UNU-WIDER, United Nations University (UNU).
- Chuku, C. A. (2009). Monetary and fiscal policy interactions in Nigeria: An application of a state-space model with markov-switching. *Journal of Applied Statistics*, 1(1), 39–51.
- Cochrane, J. H. (2011). Understanding policy in the great recession: Some unpleasant fiscal arithmetic. *European Economic Review*, 55(1), 2–30.
- Cooper, R. N. (1969). Macroeconomic policy adjustment in interdependent economies. *The Quarterly Journal of Economics*, 83(1), 1–24.
- Crawford, R. D. (1991). *In the era of human capital: the emergence of talent, intelligence and knowledge as the worldwide economic force and what it means to managers and investors*. Harper Business.
- da Silva, C. G., & Vieira, F. V. (2017). Monetary and fiscal policy in advanced and developing countries: An analysis before and after the financial crisis. *The Quarterly Review of Economics and Finance*, 63, 13–20.
- Dewan, E., & Hussein, S. (2001). *Determinants of economic growth (Panel data approach)*. Reserve Bank of Fiji. Working Paper No. 01/04. Available at: <http://citeseerx.ist.psu.edu/viewdoc/>
- De Mello, L. R., & Sinclair, M. T., (1995). *Foreign direct investment, joint ventures, and endogenous growth*. UK: Department of Economics, Univesity of Kent.

- De Oliveira, M. M., Santos, M. C., & Kiker, B. F. (2000). The role of human capital and technological change in overeducation. *Economics of Education Review*, 19(2), 199–206.
- De Prano, M., & Mayer, T. (1965). Tests of the relative importance of autonomous expenditures and money. *The American Economic Review*, 55(4), 729–752.
- De Vita, G., & Kyaw, K. S. (2011). Does the choice of exchange rate regime affect the economic growth of developing countries? *Journal of Developing Areas*, 45(1), 135–153.
- Dharmadasa, P. D. C. S. (2015). *An empirical and quantitative analysis on monetary and fiscal policy interaction in a developing country: The case of Sri Lanka (Doctoral dissertation, Saga University)*.
- Diamond, P. A. (1965). National debt in a neoclassical growth model. *The American Economic Review*, 55(5), 1126–1150.
- Dickey, D. A., & Fuller, W. A. (1979). Distribution of the estimators for autoregressive time series with a unit root. *Journal of the American Statistical Association*, 74(366a), 427–431.
- Dogan, E., & Tang, T. (2011). Government expenditure and national income: causality tests for Five Southeast Asian countries. *International Business and Economics Research Journal*, 5(10), 49–58.
- Doppelhofer, G., & Miller, R. I. (2004). Determinants of long-term growth: A Bayesian averaging of classical estimates (BACE) approach. *The American Economic Review*, 94(4), 813–835.
- Dowling, J. M., & Hiemenz, U. (1983). Aid, savings, and growth in the Asian region. *The Developing Economies*, 21(1), 3–13.
- Drazen, A. (1985). Tight money and inflation: Further results. *Journal of Monetary*



*Economics*, 15(1), 113–120.

- Ebaidalla, E. M. (2013). Causality between government expenditure and national income: Evidence from Sudan. *Journal of Economic Cooperation and Development*, 34(4), 61–76.
- Eberhardt, M., & Presbitero, A. F. (2015). Public debt and growth: heterogeneity and non-linearity. *Journal of International Economics*, 97(1), 45-58.
- Egger, P., & Winner, H. (2006). How corruption influences foreign direct investment: A panel data study. *Economic Development and Cultural Change*, 54(2), 459-486.
- Elekdag, S., & Han, F. (2015). What drives credit growth in emerging Asia?. *Journal of Asian Economics*, 38, 1-13.
- Elekdag, S., Lall, S., & Alp, M. H. (2012). *An assessment of Malaysian monetary policy during the global financial crisis of 2008-09*. Asia and Pacific Department. International Monetary Fund.
- Elmendorf, D. W., & Mankiw, N. G. (1999). Government debt. *Handbook of Macroeconomics*, 1, 1615-1669. Elsevier
- Engle, R. F., & Granger, C. W. J. (1987). Cointegration and error correction: representation, estimation, and testing. *Econometrica*, 55(2), 251–76.
- Falade, O. E., & Folorunso, B. A. (2015). Fiscal and monetary policy instruments and economic growth sustainability in Nigeria. *American Journal of Economics*, 5(6), 587–594.
- Fisher, I. (1922). *Purchasing power of money: Its determination and relation to credit interest and crises*, Rev. AM Kelley, New York.
- Fischer, S. (1993). The role of macroeconomic factors in growth. *Journal of Monetary Economics*, 32(3), 485-512.

- Fontana, G. (2003). Post Keynesian approaches to endogenous money: A time framework explanation. *Review of Political Economy*, 15(3), 291-314.
- Friedman, M. (1948). A monetary and fiscal framework for economic stability. *American Economic Review*, 38(2), 245–264.
- Friedman, M., & Meiselman, D. (1963). The relative stability of the investment multiplier and monetary velocity in the United States, 1897-1958. *Stabilization Policies*. Englewood Cliffs, NJ: Prentice-Hall.
- Friedman, M., & Schwartz, A. J. (2008). *A monetary history of the United States, 1867-1960*. Princeton University Press.
- Gale, W. G., & Orszag, P. R. (2003). *The economic effects of long-term fiscal discipline*. Urban Institute.
- Gameiro, I. M., Soares, C., & Sousa, J. (2011). Monetary policy and financial stability: an open debate. *Economic Bulletin and Financial Stability Report Articles*.
- Ganev, G., Molnar, K., Rybinski, K., & Wozniak, P. (2002). *Transmission mechanism of monetary policy in Central and Eastern Europe*. CASE Working Paper No. 52. Available at: [http://case-research.eu/upload/publikacja\\_plik/rc52.pdf](http://case-research.eu/upload/publikacja_plik/rc52.pdf)
- Gerard, T., & Ngangue, N. (2015). Does fiscal illusion impact budget policy? A panel data analysis. *International Journal of Economics and Financial Issues*, 5(1), 240-248.
- Gill, A. (2013). Singapore's fiscal response to the great recession: Radical innovation or incremental change? *Singapore: Lee Kuan Yew School of Public Policy*.
- Glynn, J., Perera, N., & Verma, R. (2007). Unit root tests and structural breaks: A survey with applications. *Journal of Quantitative Methods for Economics and Business Administration*, 3(2007), 63-79.

- Granger, C. W. (1969). Investigating causal relations by econometric models and cross-spectral methods. *Econometrica: Journal of the Econometric Society*, 37(3), 424-438.
- Granger, C. W., & Newbold, P. (1974). Spurious regressions in econometrics. *Journal of Econometrics*, 2(2), 111-120.
- Granger, C. W. (1980). Testing for causality: A personal viewpoint. *Journal of Economic Dynamics and Control*, 2(1980), 329-352.
- Granger, C. W. (1988). Some recent development in a concept of causality. *Journal of Econometrics*, 39(1-2), 199-211.
- Grossman, G. M., & Helpman, E. (1991). *Innovation and Growth in the Global Economy*. The MIT Press.
- Govindaraju, V. C., Rao, R., & Anwar, S. (2011). Economic growth and government spending in Malaysia: A re-examination of Wagner and Keynesian views. *Economic Change and Restructuring*, 44(3), 203–219.
- Guru-Gharana, K. K. (2012). Econometric investigation of relationships among export, FDI and growth in India: An application of Toda-Yamamoto-Dolado-Lutkepohl Granger causality test. *The Journal of Developing Areas*, 46(2), 231-247.
- Hacker, R. S., & Hatemi-J, A. (2006). Tests for causality between integrated variables using asymptotic and bootstrap distributions: Theory and application. *Applied Economics*, 38(13), 1489-1500.
- Hadiwibowo, Y. (2010). Fiscal policy, investment and long-run economic growth: Evidence from Indonesia. *Asian Social Science*, 6(9), 3–11.
- Hajian, H., Mohamed, A., & Habibullah, M. S. (2017). *The impact of government debt on output, private investment and human capital stock in Malaysia*. Global

- Conference on Business and Economics Research, Universiti Putra Malaysia, Malaysia.
- Halcon, N. A. C., & De Leon, L. M. T. (2004, July). *Efficiency of fiscal and monetary policies in the Philippines: The St. Louis model approach*. *Bangko Sentral Review*, 33–44.
- Haller, A. P. (2012). Concepts of economic growth and development challenges of crisis and of knowledge. *Economy Transdisciplinarity Cognition*, 15(1), 66–71.
- Hallett, A. H, Libich, J., and Stehlík P. (2014), ‘Monetary and fiscal policy interaction with various degrees of commitment’, *Czech Journal of Economics and Finance*, 64(1), 2-29.
- Hansen, H., & Rand, J. (2006). On the causal links between FDI and growth in developing countries. *The World Economy*, 29(1), 21–41.
- Har, W. M., Teo, K. L., & Yee, K. M. (2008). FDI and economic growth relationship: An empirical study on Malaysia. *International Business Research*, 1(2), 11–18.
- Hasnul, A. G. (2015). *The effects of government expenditure on economic growth: the case of Malaysia*. MPRA Paper No. 71254. Available at: <https://mpra.ub.uni-muenchen.de/71254/1/>
- Havi, E. D. K., & Enu, P. (2014). The effect of fiscal policy and monetary policy on ghana’s economic growth: which policy is more potent?. *International Journal of Empirical Finance*, 3(2), 61-75.
- Hester, D. D. (1964). Keynes and the quantity theory: A comment on the Friedman-Meiselman CMC paper. *The Review of Economics and Statistics*, 46(4), 364–368.

- Hidayat, A. S., Suman, A., & Kaluge, D. (2014). The effect of interest rate , inflation and government expenditure on economic growth in Indonesia period of 2005-2012. *Journal of Economic and Sustainable Development*, 5(15), 243–250.
- Hong, J. (2008). WTO accession and foreign direct investment in China. *Journal of Chinese Economic and Foreign Trade Studies*, 1(2), 136-147.
- Hong, T. J. (2009). Tax-and-spend or spend-and-tax? Empirical evidence from Malaysia. *Asian Academy of Management Journal of Accounting and Finance*, 5(1), 107–115.
- Hoogduin, L., Ozturk, B., & Wierds, P. (2011). Public debt managers' behaviour interactions with macro policies. *Revue Économique*, 62(6), 1105–1122.
- Hossain, A. (2005). The Granger-causality between money growth, inflation, currency devaluation and economic growth in Indonesia: 1954-2002. *International Journal of Applied Econometrics and Quantitative Studies*, 2(3), 45-68.
- Hossain, A. A. (2010). Monetary targeting for price stability in Bangladesh: How stable is its money demand function and the linkage between money supply growth and inflation?. *Journal of Asian Economics*, 21(6), 564-578.
- Hussain, M. N. (2014). Empirical econometric analysis of relationship between fiscal-monetary policies and output on SAARC countries. *The Journal of Developing Areas*, 48(4), 209–224.
- Hussain, M. E., Haque, M., & Igwike, R. S. (2015). Relationship between economic growth and debt: An empirical analysis for Sub-Saharan Africa. *Journal of Economics and Political Economy*, 2(2), 262–275.
- Hussin, F., & Saidin, N. (2012). Economic growth in ASEAN-4 Countries: A panel data analysis. *International Journal of Economics and Finance*, 4(9), 119–129.

- Hwa, T. B. (2015). *The Transmission of Financial Stress and its Interactions with Monetary Policy Responses in the ASEAN-5 Economies*. Bank Negara Malaysia Working Papers. WP6/2015.
- Iamsiraroj, S., & Ulubaşoğlu, M. A. (2015). Foreign direct investment and economic growth: A real relationship or wishful thinking?. *Economic Modelling*, 51, 200-213.
- Ibarra, R., & Trupkin, D. R. (2016). Re-examining the relationship between inflation and growth: Do institutions matter in developing countries? *Economic Modelling*, 52, 332-351.
- Inder, B. (1993). Estimating long-run relationships in economics. A comparison of different approaches. *Journal of Econometrics*, 57(1-3), 53–68.
- International Monetary Fund. (2016, June). Asean-5 cluster report: Evolution of monetary policy frameworks. Washington, D.C.: IMF Country Report. No.16/176. Available at: <https://www.imf.org/external/pubs/ft/scr/2016/>
- Ismal, R. (2011). Assessing economic growth and fiscal policy in Indonesia. *Journal of Economics and Business*, 14(1), 53–71.
- Isnawangsih, A., Klyuev, M. V., & Zhang, M. L. (2013, October). The big split: Why did output trajectories in the ASEAN-4 diverge after the global financial crisis? Asia and Pacific: IMF Working Paper. No.13/222. Available at: <http://www.imf.org/external/pubs/cat/longres.aspx?sk=41022.0>
- Jahan, S., Mahmud, A. S., & Papageorgiou, C. (2014). What is keynesian economics? *Finance and Development*, 51(3), 53–54.
- Jain-Chandra, S., & Unsal, D. F. (2014). The effectiveness of monetary policy transmission under capital inflows: Evidence from Asia. *Borsa Istanbul Review*, 14(2), 96-103.

- James, T. (1963). An essay on the principles of debt management. *Fiscal and debt management policies, prepared for the Commission on Money and Credit, Englewood Cliffs, NJ, Prentice-Hall.*
- Jarque, C. M., & Bera, A. K. (1980). Efficient tests for normality, homoscedasticity and serial independence of regression residuals. *Economics Letters*, 6(3), 255–259.
- Jawaid, S. T., Ali, N., & Qadri, F. S. (2011). Monetary-fiscal-trade policy and economic growth in Pakistan: Time series empirical investigation. *International Journal of Economics and Financial Issues*, 1(3), 133–138.
- Jawaid, S. T., Arif, I., & Naeemullah, S. M. (2010, December). *Comparative analysis of monetary and fiscal policy: A case study of Pakistan*. MPRA Paper No. 30850. Available at: <https://mpra.ub.uni-muenchen.de/30850/>
- Jearakul, P., Lim, C. H., & Lundback, E. (2014). Why was Asia Resilient? Lessons from the past and for the future. *Journal of International Commerce, Economics and Policy*, 5(02), 1-22.
- Jiranyakul, K., & Brahmasrene, T. (2007). The relationship between government expenditures and economic growth in Thailand. *Journal of Economics and Economic Education Research*, 8(1), 93–103.
- Jitsuchon, S. (2000). *Thailand's economic growth: A fifty-years perspective (1950-2000)*. Thailand Development Research Institute.
- Johansen, S., & Juselius, K. (1990). Maximum likelihood estimation and inference on cointegration—with applications to the demand for money. *Oxford Bulletin of Economics and Statistics*, 52(2), 169–210.
- Johnson, J. W. (1973). Further evidence as to the relative effects of monetary versus fiscal policy. *The Journal of Finance*, 28(4), 1049–1050.



- Jorgenson, D., & Eckstein, O. (1976). *The investment tax credit and counter-cyclical policy*. Parameters and Policies in the US Economy, edited by Eckstein, O., 275-314. Amsterdam: North Holland, 1976.
- Kakar, Z. K. (2011). Impact of fiscal variables on economic development of Pakistan. *Romanian Journal of Fiscal Policy*, 2(2), 1–10.
- Kandil, M. (2015). Monetary shifts and co-movements in spending, growth, and inflation: Evidence from developing and advanced countries. *Borsa Istanbul Review*, 15(2), 76-92.
- Karimi, M. S., & Yusop, Z. (2009, March). *FDI and economic growth in Malaysia*. MPRA Paper No. 14999. Available at: <https://mpa.ub.uni-muenchen.de/14999/>
- Kasri, R. A. (2011, December). *Explaining the twin crises in Indonesia*. Working Paper in Economics and Business Vol.I (2). Available at: <http://econ.feb.ui.ac.id/wp-content/uploads/2015/10/201102>.
- Kerry, P. (2000, June). *An introduction to applied econometrics: A time series approach*. Palgrave. New York: St. Martin's Press.
- Ketema, T. (2006). *The impact of government spending on economic growth: The case of Ethiopia* (Doctoral dissertation, Addis Ababa University).
- Khalid, N., & Fakhzan, N. (2013). The effect of regime switching policy rules on economic growth. *Jurnal Ekonomi Malaysia*, 47(2), 93-109.
- Khan, M. S., & Ssnhadji, A. S. (2001). Threshold effects in the relationship between inflation and growth. *IMF Staff papers*, 48(1), 1-21.
- King, M. (2010). Speech at the University of Exeter, 19 January 2010. *Bank of England, London, and Paul Krugman, 'Taking On China'*. *New York Times*, 14.
- Kizito, U. (2013). The link between money market and economic growth in Nigeria: Vector error correction model approach. *International Journal of Social*,

*Behavioral, Educational, Economic, Business and Industrial Engineering*, 7(12), 3076–3084.

Klacso, J. (2013). *Mathematical analysis of the transmission mechanism of monetary policy of the National Bank of Slovakia*. Comenius University.

Klyuev, M. V., & Dao, T. N. (2016, August). *Evolution of exchange rate behavior in the ASEAN-5 Countries*. Asia and Pacific Department. IMF Working Paper. No. No.16/165.

Kneller, R., Bleaney, M. F., & Gemmell, N. (1999). Fiscal policy and growth: evidence from OECD Countries. *Journal of Public Economics*, 74(2), 171–190.

Kofi Ocran, M. (2011). Fiscal policy and economic growth in South Africa. *Journal of Economic Studies*, 38(5), 604–618.

Kopcke, R. W., Tootell, G. M., & Triest, R. K. (2006, February). *Introduction: The macroeconomics of fiscal policy*. The MIT Press.

Kumar, M. M. S., & Baldacci, M. E. (2010). *Fiscal deficits, public debt, and sovereign bond yields* (No. 10-184). International Monetary Fund.

Kuncoro, H., & Sebayang, F. D. A. (2013). The dynamic interaction between monetary and fiscal policies in Indonesia. *Romanian Journal of Fiscal Policy*, 4(1), 47–66.

Kurniawan, R. (2012). *Sustainability of fiscal policy and government revenue-expenditure nexus: The experience of Indonesia*. MPRA Paper No. 65883. Available at: <https://mpra.ub.uni-muenchen.de/65883/>

Kydland, F. E., & Prescott, E. C. (1977). Rules rather than discretion: The inconsistency of optimal plans. *The Journal of Political Economy*, 85(3), 473–492.

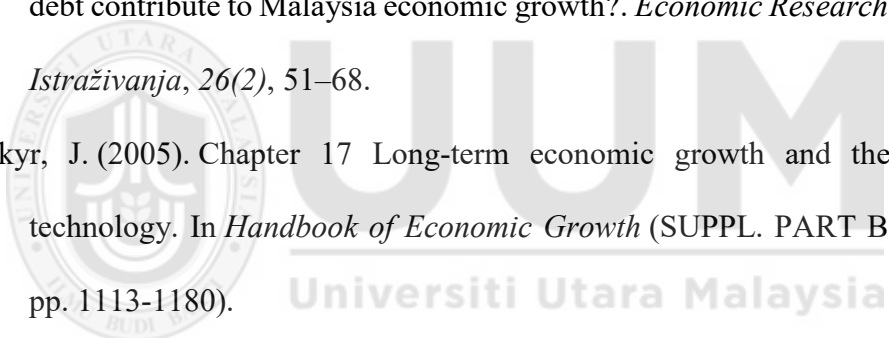
Kydland, F. E., & Prescott, E. C. (1982). Time to build and aggregate fluctuations.

- Econometrica: Journal of the Econometric Society*, 50(6), 1345–1370.
- Lambertini, L. (2006). Monetary–fiscal interactions with a conservative central bank. *Scottish Journal of Political Economy*, 53(1), 90–129.
- Lane, P. R., & Milesi-Ferretti, G. M. (2002). *Long-term capital movements*. NBER Working Paper No. 8366. Available at: <http://www.nber.org/papers/w8366>
- Laubach, T. (2009). New evidence on the interest rate effects of budget deficits and debt. *Journal of the European Economic Association*, 7(4), 858–885.
- Laureti, L., & Postiglione, P. (2005). The effects of capital inflows on the economic growth in the Med Area. *Journal of Policy Modelling*, 27(7), 839–851.
- Lee, S. P., & Ng, Y. L. (2015). Public debt and economic growth in Malaysia. *Asian Economic and Financial Review*, 5(1), 119–126.
- Lee, J., Rana, P. B., & Iwasaki, Y. (1986). *Effects of foreign capital inflows on developing countries of Asia*. Manila, Philippines: ADB Paper No. 30.
- Lee, J., & Strazicich, M. C. (2001). Break point estimation and spurious rejections with endogenous unit root tests. *Oxford Bulletin of Economics and Statistics*, 63(5), 535–558.
- Lee, J., & Strazicich, M. C. (2003). Minimum lagrange multiplier unit root test with two structural breaks. *Review of Economics and Statistics*, 85(4), 1082–1089.
- Lee, J., & Strazicich, M. C. (2013). Minimum LM unit root test with one structural break. *Economics Bulletin*, 33(4), 2483–2492.
- Leeper, E. M. (1991). Equilibria under “active” and “passive” monetary and fiscal policies. *Journal of Monetary Economics*, 27(1), 129–147.
- Leeper, E. M. (2010, October). *Monetary science, fiscal alchemy*. NBER Working Paper No. 16510. Available at: <http://www.nber.org/papers/w16510>
- Leszek, B. (2001). *Freedom and development: The free market economy*. Compania.

- Lew, Y. S. (2007). *Some empirical evidences on ASEAN 5 fiscal policy regime and monetary and fiscal policy interactions*. Universiti Sains Malaysia.
- Li, M. (2006). *Inflation and economic growth: Threshold effects and transmission mechanisms*. University of Alberta.
- Li, X., & Liu, X. (2005). Foreign direct investment and economic growth: An increasingly endogenous relationship. *World Development*, 33(3), 393–407.
- Liew, V. (2004). *On autoregressive order selection criteria on autoregressive order selection criteria*. Universiti Putra Malaysia.
- Lindblad, J. T. (2015). Foreign direct investment in Indonesia: Fifty years of discourse. *Bulletin of Indonesian Economic Studies*, 51(2), 217-237.
- Liwan, A., & Lau, E. (2007, July). *Managing growth: The role of export, inflation and investment in three ASEAN neighboring countries*. MPRA Paper No. 3952. Available at: <https://mpra.ub.uni-muenchen.de/3952/>
- Lucas, R. E. (1988). On the mechanics of economic development. *Journal of Monetary Economics*, 22(1), 3-42.
- Lucas, R. E. J., & Stokey, N. L. (1983). Optimal fiscal and monetary policy in an economy without capital. *Journal of Monetary Economics*, 12(1983), 55–93.
- Lumsdaine, R. L., & Papell, D. H. (1997). Multiple trend breaks and the unit-root hypothesis. *Review of Economics and Statistics*, 79(2), 212-218.
- Ma, Y., & Lin, X. (2016). Financial development and the effectiveness of monetary policy. *Journal of Banking & Finance*, 68, 1-11.
- Mahmood, T., & Sial, M. H. (2011). The relative effectiveness of monetary and fiscal policies in economic growth: a case study of Pakistan. *Asian Economic and Financial Review*, 1(4), 236–244.
- Maitra, B., & Mukhopadhyay, C. K. (2012). Public spending on education, health care

- and economic growth in selected countries of Asia and the Pacific. *Health Care and Economic Growth in Selected Countries of Asia and the Pacific*, 19(2), 19–48.
- Makki, S. S., & Somwaru, A. (2004). Impact of foreign direct investment and trade on economic growth: Evidence from developing countries. *American Journal of Agricultural Economics*, 86(3), 795–801.
- Mallick, L., Das, P. K., & Pradhan, K. C. (2016). Impact of educational expenditure on economic growth in major asian countries: Evidence from econometric analysis. *Theoretical and Applied Economics*, 22(2), 173–186.
- Mankiw, N. G., Romer, D., & Weil, D. N. (1992). A contribution to the empirics of economic growth. *The Quarterly Journal of Economics*, 107(2), 407-437.
- Masron, T. A., & Naseem, N. A. M. (2017). Institutional quality and foreign direct investment in ASEAN. *Institutions and Economies*, 9(4), 5-30.
- McCallum, B. T. (1981). *Monetarist principles and the money stock growth rule*. Massachusetts Avenue Cambridge.
- McCallum, B. T. (1983). A reconsideration of sims' evidence concerning monetarism. *Economics Letters*, 13(2-3), 167–171.
- Mehrotra, A. N. (2007). Exchange and interest rate channels during a deflationary era—Evidence from Japan, Hong Kong and China. *Journal of Comparative Economics*, 35(1), 188-210.
- Meltzer, A. H. (1976). Monetary and other explanations of the start of the great depression. *Journal of Monetary Economics*, 2(4), 455–471.
- Meltzer, A. H. (2003). *A history of the federal reserve, Vol. I: 1913-51*. Chicago: The University of Chicago Press Books.

- Mencinger J., Aristovnik, A. and Verbic, M. (2014) The impact of growing public debt on economic growth in the European Union. *Amfiteatru Economic*, 16, 403-414.
- Merrouche, O., & Nier, E. (2017). Capital inflows, monetary policy, and financial imbalances. *Journal of International Money and Finance*, (2017), 1-32.
- Merzlyakov, S. (2012). Strategic interaction between fiscal and monetary policies in an export-oriented economy. *Panoeconomicus*, 59(2), 201–216.
- Mies, V., Morandé, F., & Tapia, M. (2003). *Política monetaria y mecanismos de transmisión: nuevos elementos para una nueva conclusión*. Centro de Estudios Monetarios Lationamericano (CEMLA), Mexico DF.
- Mincer, J. (1996). Economic development, growth of human capital, and the dynamics of the wage structure. *Journal of Economic Growth*, 1(1), 29-48.
- Mishkin, F. S. (1995). " Symposium on the monetary transmission mechanism. *The Journal of Economic Perspectives*, 9(4), 3-10.
- Mishkin, F. S. (1996, February). The channels of monetary transmission: Lessons for monetary policy. NBER Working Paper No. 5464. Available at: <http://www.nber.org/papers/w5464>
- Mishkin, F. S. (1996, May). Understanding financial crises: A developing country perspective. NBER Working Paper No. 5600. Available at: <http://www.nber.org/papers/w5600>
- Mishkin, F.S. (2010). *The economics of money, banking and financial markets*. Boston, MA: Pearson Education.
- Mishra, P., & Montiel, P. (2013). How effective is monetary transmission in low-income countries? A survey of the empirical evidence. *Economic Systems*, 37(2), 187–216.

- Mishra, P., Montiel, P., Pedroni, P., & Spilimbergo, A. (2014). Monetary policy and bank lending rates in low-income countries: Heterogeneous panel estimates. *Journal of Development Economics*, 111(November 2014), 117–131.
- Missale, A. (1999). *Public debt management*. UK: Oxford University Press.
- Modigliani, F. (1961). Long-run implications of alternative fiscal policies and the burden of the national debt. *The Economic Journal*, 71(284), 730-755.
- Mohanty, M. S. (2012). *Fiscal policy, public debt and monetary policy in Emes: An overview*. BIS Paper No. 67. Available at: <http://www.bis.org/publ/bppdf/bispap67a>
- Mohd Dauda, S. N., Ahmad, A. H., & Azman-Saini, W. N. W. (2013). Does external debt contribute to Malaysia economic growth?. *Economic Research-Ekonomska Istraživanja*, 26(2), 51–68.
- Mokyr, J. (2005). Chapter 17 Long-term economic growth and the history of technology. In *Handbook of Economic Growth* (SUPPL. PART B ed., Vol. 1, pp. 1113-1180).  Universiti Utara Malaysia
- Moreno, R. (2003, October). *Fiscal issues and central banking in emerging economies: An overview*. BIS Paper No. 20. Available at: <http://www.bis.org/publ/bppdf/bispap20.htm>
- Moudatsou, A., & Kyrkilis, D. (2011). FDI and economic growth: Causality for the EU and ASEAN. *Journal of Economic Integration*, 26(3), 554–577.
- Muhammad, S. D., Wasti, S. K. A., Hussain, A., & Lal, I. (2009). An empirical investigation between money supply government expenditure, output & prices: The Pakistan evidence. *European Journal of Economics, Finance and Administrative Sciences*, 17(2009), 60-68.

- Mundell, R. A. (1962, March). *The appropriate use of monetary and fiscal policy for internal and external stability*. IMF Staff Papers, 9(1), 70-79.
- Muthama, M. M. (2015). *Fiscal and monetary policies interaction in Kenya: An empirical analysis*. University of Dar es Salaam.
- Nair-Reichert, U., & Weinhold, D. (2001). Causality tests for cross-country panels: A new look at FDI and economic growth in developing countries. *Oxford Bulletin of Economics and Statistics*, 63(2), 153–172.
- Narayan, P. K. (2005). The government revenue and government expenditure nexus: Empirical evidence from nine Asian countries. *Journal of Asian Economics*, 15(6), 1203–1216.
- Narayan, P. K. (2005). The saving and investment nexus for China: Evidence from cointegration tests. *Applied Economics*, 37(17), 1979–1990.
- Nordhaus, W. D., Schultze, C. L., & Fischer, S. (1994). Policy games: Coordination and independence in monetary and fiscal policies. *Brookings Papers on Economic Activity*, 1994(2), 139–216.
- Owusu-Nantwi, V., & Erickson, C. (2016). Public debt and economic growth in Ghana. *African Development Review*, 28(1), 116-126.
- Palley, T. I. (1994). Competing views of the money supply process: Theory and evidence. *Metroeconomica*, 45(1), 67-88.
- Palley, T. (2008, August). Endogenous money: Implications for the money supply process, interest rates, and macroeconomics. PERI Working Paper Series, No. 178. Available at: [http://scholarworks.umass.edu/peri\\_workingpapers/145/](http://scholarworks.umass.edu/peri_workingpapers/145/)
- Palley, T. I. (2013). Keynesian, classical and new Keynesian approaches to fiscal policy: Comparison and critique. *Review of Political Economy*, 25(2), 179-204.



- Panizza, U., & Presbitero, A. F. (2013). Public debt and economic growth in advanced economies: A survey. *Swiss Journal of Economics and Statistics*, 149(2), 175-204.
- Panizza, U., & Presbitero, A. F. (2014). Public debt and economic growth: Is there a causal effect?. *Journal of Macroeconomics*, 41, 21-41.
- Peacock, A. T., & Wiseman, J. (1961). *Front matter, the growth of public expenditure in the United Kingdom*. In the growth of public expenditure in the United Kingdom. Princeton University Press.
- Peacock, A. T., & Wiseman, J. (1967). *The growth of public expenditure in the United Kingdom* (Vol. 1). Allen & Unwin.
- Pereima, J. B., Merki, M., & Correia, F. M. (2015). *Economic growth and public debt: Addressing unobserved heterogeneity*. Federal University of Parana.
- Perron, P. (1989). The great crash, the oil price shock, and the unit root hypothesis. *Econometrica: Journal of the Econometric Society*, 57(6), 1361-1401.
- Perron, P. (1997). Further evidence on breaking trend functions in macroeconomic variables. *Journal of Econometrics*, 80(2), 355-385.
- Pesaran, M. H., & Pesaran, B. (1997). *Working with Microfit 4.0: Interactive econometric analysis*. Oxford University Press.
- Pesaran, H. H., & Shin, Y. (1998). Generalized impulse response analysis in linear multivariate models. *Economics letters*, 58(1), 17-29.
- Pesaran, M. H., & Shin, Y. (1998). An autoregressive distributed-lag modelling approach to cointegration analysis. *Econometric Society Monographs*, 31(7), 371-413.

- Pesaran, M. H., Shin, Y., & Smith, R. P. (1999). Pooled mean group estimation of dynamic heterogeneous panels. *Journal of the American Statistical Association*, 94(446), 621-634.
- Pesaran, M. H., Shin, Y., & Smith, R. J. (2001). Bounds testing approaches to the analysis of level relationships. *Journal of Applied Econometrics*, 16(3), 289-326.
- Phillips, P. C. B., & Hansen, B. E. (1990). Statistical inference in instrumental variables regression with I(1) processes. *Review of Economic Studies*, 57(1), 99–125.
- Phua, L. N. (2014). *The relationship of government expenditure, population, exchange rate, trade openness and economic growth in Malaysia*. Universiti Tunku Abdul Rahman.
- Poirson, M. H., Ricci, M. L. A., & Pattillo, M. C. A. (2004, January). *What are the channels through which external debt affects growth?* IMF Working Paper No. 0415. Available at: <https://www.imf.org/external/pubs/ft/wp/2004/wp0415>.
- Pollin, R. (1991). Two theories of money supply endogeneity: Some empirical evidence. *Journal of Post Keynesian Economics*, 13(3), 366-396.
- Precious, C., & Makhetha-Kosi, P. (2014). Impact of monetary policy on economic growth: A case study of South Africa. *Mediterranean Journal of Social Sciences*, 5(15), 76–84.
- Puapan, P. (2011). *The fiscal policy impact on economic performance in ASEAN5+ 3: empirical analyses*. National Institute of Development Administration.
- Qadri, F. S., & Waheed, A. (2013). Human capital and economic growth: Cross-country evidence from low-, middle-and high-income countries. *Progress in Development Studies*, 13(2), 89–104.

- Raghavan, M., Athanasopoulos, G., & Silvapulle, P. (2009). Measuring the effects of Malaysian monetary policy: VARMA vs. VAR models. *Department of Econometrics and Business Statistics, Monash University, Australia*.
- Saint-Paul, G. (1992). Fiscal policy in an endogenous growth model. *The Quarterly Journal of Economics*, 107(4), 1243-1259.
- Sakar, S. A., & Aslam, M. (2013). Foreign direct investment, human capital and economic growth in Malaysia. *Journal of Economic Cooperation & Development*, 36(1), 103–132.
- Samargandi, N., Fidrmuc, J., & Ghosh, S. (2015). Is the relationship between financial development and economic growth monotonic? Evidence from a sample of middle-income countries. *World Development*, 68(April 2015), 66-81.
- Samudram, M., Nair, M., & Vaithilingam, S. (2009). Keynes and Wagner on government expenditures and economic development: The case of a developing economy. *Empirical Economic Journal*, 36(3), 697-712.
- Sanni, M. R., Amusa, N. A., & Agbeyangi, B. A. (2012). Potency of monetary and fiscal policy instruments on economic activities of Nigeria (1960-2011). *Journal of African Macroeconomic Review*, 3(1), 161-176.
- Sargent, T. J., & Wallace, N. (1975). “Rational” expectations, the optimal monetary instrument, and the optimal money supply rule. *The Journal of Political Economy*, 83(2), 241–254.
- Sargent, T. J., & Wallace, N. (1984). *Some unpleasant monetarist arithmetic*. Palgrave Macmillan UK.
- Semuel, H., & Teddy, S. D. (2014). *Analysis of the effect of inflation, interest rates, and exchange rates on gross domestic product (GDP) in Indonesia*. Petra Christian University.

- Senbet, D. (2011). The relative impact of fiscal versus monetary actions on output: A vector autoregressive (VAR) approach. *Business and Economic Journal*, 2011(25), 1–11.
- Setiawan, S. (2017). Middle income trap and infrastructure issues in Indonesia: A strategic perspective. *International Journal of Economics and Financial Issues*, 7(4), 42-48.
- Sidrauski, M. (1967). Rational choice and patterns of growth in a monetary economy. *The American Economic Review*, 57(2), 534-544.
- Simorangkir, I., & Adamanti, J. (2010). The role of fiscal stimulus and monetary easing in Indonesian economy during global financial crisis: Financial computable general equilibrium approach. *Buletin Ekonomi Moneter Dan Perbankan*, 13(2), 165–186.
- Sims, C. A., Stock, J. H., & Watson, M. W. (1990). Inference in linear time series models with some unit roots. *Econometrica: Journal of the Econometric Society*, 58(January, 1990), 113-144.
- Sinha, D. (1998). Government expenditure and economic growth in Malaysia. *Journal of Economic Development*, 23(2), 71–80.
- Smith, G. (1982). Monetarism, bondism, and inflation. *Journal of Money, Credit and Banking*, 14(2), 278–286.
- Snyder, T. C., & Bruce, D. (2011). Tax cuts and interest rate cuts: An empirical comparison of the effectiveness of fiscal and monetary policy. *Journal of Business & Economics Research*, 2(8), 1–12.
- Solon, O., & Floro, M. S. (1993). *The Philippines in the 1980s: A review of national and urban level economic reforms*. The World Bank, Washington, D. C.
- Sriyana, J. (2009). A causality relationship between tax revenue and government

- expenditure in Indonesia. *Economic Journal of Emerging Markets*, 1(2), 93–101.
- Stein, S. H. (1980). Autonomous expenditures, interest rate stabilization, and the St. Louis equation. *The Review of Economics and Statistics*, 62(3), 357–363.
- Stock, J. H., & Watson, M. W. (2001). Vector autoregressions. *The Journal of Economic Perspectives*, 15(4), 101-115.
- Stockman, A. C. (1981). Anticipated inflation and the capital stock in a cash in-advance economy. *Journal of Monetary Economics*, 8(3), 387-393.
- Sturgill, B. (2014). Money growth and economic growth in developed nations: An empirical analysis. *The Journal of Applied Business and Economics*, 16(4), 41-52.
- Sudarsono, H. (2015). The relationship between economic growth and government spending: A case study of OIC countries. *Jurnal Ekonomi Pembangunan: Kajian Masalah Ekonomi dan Pembangunan*, 11(2), 149-159.
- Sulaiman, C., Bala, U., Tijani, B. a., Waziri, S. I., & Maji, I. K. (2015). Human capital, technology, and economic growth: Evidence from Nigeria. *SAGE Open*, 5(4), 1-10.
- Sussangkarn, C. (2012). Comment on global financial crisis and ASEAN: Fiscal policy response in the case of Thailand and Indonesia. *Asian Economic Policy Review*, 7(2), 272–273.
- Rademacher, I. (2011). *Fiscal policy and growth: Boosting employment and competitiveness in Namibia*. Frierich Ebert Stiftung, Windhoek, Namibia.
- Rahman, A. (2015). Impact of foreign direct investment on economic growth: Empirical evidence from Bangladesh. *International Journal of Economics and Finance*, 7(2), 178–185.

- Rahman, N. H. A. (2012). The relationship between budget deficit and economic growth from Malaysia's perspective: An ARDL approach. *International Conference on Economics, Business Innovation*, 38(February), 54–58.
- Rakic, B., & Radenovic, T. (2013). The effectiveness of monetary and fiscal policy in Serbia. *Industrija*, 41(2), 103–122.
- Ramey, V. (1993). How important is the credit channel in the transmission of monetary policy? *Carnegie-Rochester Conference Series on Public Policy*, 39(C), 1–45.
- Ramsey, J. B. (1969). Tests for specification errors in classical linear least-squares regression analysis. *Journal of the Royal Statistical Society. Series B (Methodological)*, 31(2), 350–371.
- Rasche, R., & Williams, M. M. (2005, June). *The effectiveness of monetary policy*. The Federal Reserve Bank of St. Louis Working Paper Series No. 048. Available at: <https://research.stlouisfed.org/wp/2005/2005-048>.
- Reinhart, C., & Rogoff, K. (2010). *Growth in a time of debt*. American Economic Review Paper Proceeding, 100(2), 573-578.
- Reinhart, C. M., Reinhart, V. R., & Rogoff, K. S. (2012). Public debt overhangs: Advanced-economy episodes since 1800. *The Journal of Economic Perspectives*, 26(3), 69–86.
- Reisen, H., & Soto, M. (2001). Which types of capital inflows foster developing-country growth?. *International Finance*, 4(1), 1-14.
- Reynolds, A. (2001). Fiscal-monetary policy mix. *Cato Journal*, 21(2), 263–275.
- Riera-Crichton, D., Vegh, C. A., & Vuletin, G. (2017). Tax policy and the macroeconomy: Measurement, identification, and non-linearities. *Ensayos sobre Política Económica*, 35(82), 10-17.

- Rochon, L. P., & Rossi, S. (2013). Endogenous money: The evolutionary versus revolutionary views. *Review of Keynesian Economics*, 1(2), 210-229.
- Rogoff, K. (1985). The optimal degree of commitment to an intermediate monetary target. *The Quarterly Journal of Economics*, 100(4), 1169–1189.
- Romer, P. M. (1990, March). Human capital and growth: theory and evidence. *Carnegie-Rochester Conference Series on Public Policy*, 32(Spring 1990), 251-286.
- Romer, P. M. (1994). The origins of endogenous growth. *The Journal of Economic Perspectives*, 8(1), 3–22.
- Romero-Avila, D., & Strauch, R. (2008). Public finances and long-term growth in Europe: Evidence from a panel data analysis. *European Journal of Political Economy*, 24 (1), 172-191.
- Roy, S., & Mandal, K. K. (2012). Foreign direct investment and economic growth: An analysis for selected Asian countries. *Journal of Business Studies Quarterly*, 4(1), 15–24.
- Samad, A. (2009). *Does FDI Cause Economic Growth? Evidence from South-East Asia and Latin America*. Utah Valley University.
- Sami, J. (2012). *Foreign direct investment and economic growth in Malaysia: Further evidence from cointegration and causality test*. Fiji National University.
- Santangelo, G. D. (2003). *The evolutionary perspective on growth. The theory of economic growth. a classical pespective*. Edward Elgar, Cheltenham, UK, Northhampton.
- Singhanian, M., & Gupta, A. (2011). Determinants of foreign direct investment in India. *Journal of International Trade Law and Policy*, 10(1), 64-82.

- Solow, R. M. (1957). Technical change and the aggregate production function. *The Review of Economics and Statistics*, 39(3), 312-320.
- Stylianou, T. (2014). Debt and economic growth: Is there any causal effect? An empirical analysis with structural breaks and Granger causality for Greece. *Theoretical and Applied Economics*, 21(1), 51-62.
- Swamy, V. (2015, April). *Government debt and economic growth—decomposing the cause and effect relationship*. MPRA Paper No. 64105. Available at: [https://mpra.ub.uni-muenchen.de/64105/1/MPRA\\_paper\\_64105](https://mpra.ub.uni-muenchen.de/64105/1/MPRA_paper_64105).
- Takyi, P. O., & Twum, A. (2015). Do monetary, fiscal and trade policies matter for economic growth?: Ghana's experience. *Global Business and Economics Research Journal*, 4(3), 1-16.
- Tang, H. C., Liu, P., & Cheung, E. C. (2013). Changing impact of fiscal policy on selected ASEAN countries. *Journal of Asian Economics*, 24(February 2013), 103-116.
- Tanzi, V., & Zee, H. H. (1997). Fiscal policy and long-run growth. *International Monetary Fund Staff Papers*, 44(2), 179-209.
- Taylor, J. B. (1995). The monetary transmission mechanism: An empirical framework. *The Journal of Economic Perspectives*, 9(4), 11-26.
- Taylor, J. B. (1997). A core of practical macroeconomics. *The American Economic Review*, 87(2), 233-235.
- Taylor, J. B. (2000, December). *Using monetary policy rules in emerging market economies*. Stanford University.
- Teles, V. K., & Mussolini, C. C. (2014). Public debt and the limits of fiscal policy to increase economic growth. *European Economic Review*, 66 (February 2014), 1-15.



- Teles, P., Uhlig, H., & Valle e Azevedo, J. (2016). Is quantity theory still alive?. *The Economic Journal*, 126(591), 442-464.
- Thanh, S. D. (2015). Threshold effects of inflation on growth in the ASEAN-5 countries: A panel smooth transition regression approach. *Journal of Economics Finance and Administrative Science*, 20(38), 41-48.
- Trinh, T. (2014). *Foreign aid and economic growth: The impact of aid on determinants of growth - The case of Vietnam*. Aalto University School of Business.
- Tobin, J. (1965). Money and economic growth. *Econometrica: Journal of the Econometric Society*, 671-684.
- Toda, H. Y., & Phillips, P. C. (1993). Vector autoregressions and causality. *Econometrica: Journal of the Econometric Society*, 61(6), 1367-1393.
- Toda, H. Y., & Yamamoto, T. (1995). Statistical inference in vector autoregressions with possibly integrated processes. *Journal of econometrics*, 66(1), 225-250.
- Udude, C. C. (2014). Monetary policy and economic growth (1981-2012). *Journal of Policy and Development Studies*, 9(1), 234-247.
- Van, V. B., & Sudhipongpracha, T. (2015). Exploring government budget deficit and economic growth: Evidence from Vietnam's economic miracle. *Asian Affairs : An American Review*, 42(3), 127-148.
- Van Hai, B., & Trang, T. T. M. (2015). *The transmission mechanism of monetary policy in Vietnam: A VAR approach*. Graduate Institute of International and Development Studies Working Paper No.152015. Available at: <http://repository.graduateinstitute.ch/record/293245/files/HEIDWP15-2015>.
- Venkadasalam, S. (2014). Implementation of goods and service tax ( GST ): An analysis on ASEAN states using least squares dummy variable model

- (LSDVM). *International Conference on Economic, Education and Humanities (ICEEH'14)*. Dec, 10-11.
- Vo, X. V., & Nguyen, P. C. (2017). Monetary policy transmission in Vietnam: Evidence from a VAR Approach. *Australian Economic Papers*, 56(1), 27-38.
- Vrolijk, C. (1997). *Derivatives effect on monetary policy transmission*. International Monetary Fund (No. 97-121). Washington DC.
- Wai, U. T. (1959, October). The relation between inflation and economic development: A statistical inductive study. *International Monetary Fund Staff Papers*, (7)2, 302-317.
- Wibowo, M. G. (2017). Public debt and economic growth in the Southeast Asia Countries. *Signifikan: Jurnal Ilmu Ekonomi (Journal of Economics)*, 6(1), 177-188.
- Widiyanti, M., Jusoh, M., Tahir, M. Z. M., & Ismail, A. G. (2011). *Fiscal deficit and the impact of macroeconomic variables on inflation rates in Malaysia*. University of Bengkulu.
- Wijeweera, A., Villano, R., & Dollery, B. (2010). Economic growth and FDI inflows: A stochastic frontier analysis. *The Journal of Developing Areas*, 43(2), 143–158.
- Wogbe Agbola, F. (2014). Modelling the impact of foreign direct investment and human capital on economic growth: Empirical evidence from the Philippines. *Journal of the Asia Pacific Economy*, 19(2), 272–289.
- Woo, J., & Kumar, M. S. (2015). Public debt and growth. *Economica*, 82(328), 705-739.
- World Bank (2016). *World development indicators*.  
<https://data.worldbank.org/indicator>

- Wu, J. Y., & Hsu, C. C. (2008). Does foreign direct investment promote economic growth? Evidence from a threshold regression analysis. *Economics Bulletin*, 15(12), 1–10.
- Xu, B. (1994, March). Tax policy implications in endogenous growth models. IMF Working Papers No.94/38. Available at: <http://www.imf.org/external/pubs/>
- Yasin, M. (1999). *Economic crisis and financial reform in Indonesia*. ASIA FORUM.
- Younus, S. (2012). *Relative effectiveness of monetary and fiscal policies on output growth in Bangladesh: A co integration and vector error correction approach*. Bangladesh Bank, Head Office, Dhaka, Bangladesh.
- Zadeh, H. A., & Madani, Y. (2012). Financial market development, fdi and economic growth in Iran. *Journal of Basic and Applied Scientific Research*, 2(1), 228–230.
- Zakari, Y., & Mohammed, H. (2012). Does fdi cause economic growth? Evidence from selected countries in Africa and Asia. *African Journal of Social Sciences*, 2(4), 114–124.
- Zellner, A. (1978). Estimation of functions of population means and regression coefficients including structural coefficients: A minimum expected loss (MELO) approach. *Journal of Econometrics*, 8(2), 127-158.
- Zhang, L., Ru, Y., & Li, J. (2016). Optimal tax structure and public expenditure composition in a simple model of endogenous growth. *Economic Modelling*, 59, 352-360.
- Zhang, K. H., & Song, S. (2002). Promoting exports: The role of inward FDI in China. *China Economic Review*, 11(4), 385-396.
- Zhou, H. (2015). *Effectiveness study of Chinese monetary policy regulation on economic growth and inflation*. In China's Monetary Policy Regulation and Financial Risk Prevention. Springer Berlin Heidelberg.

Zivot, E., & Andrews, D. W. K. (2002). Further evidence on the great crash, the oil-price shock, and the unit-root hypothesis. *Journal of Business & Economic Statistics*, 20(1), 25-44.

